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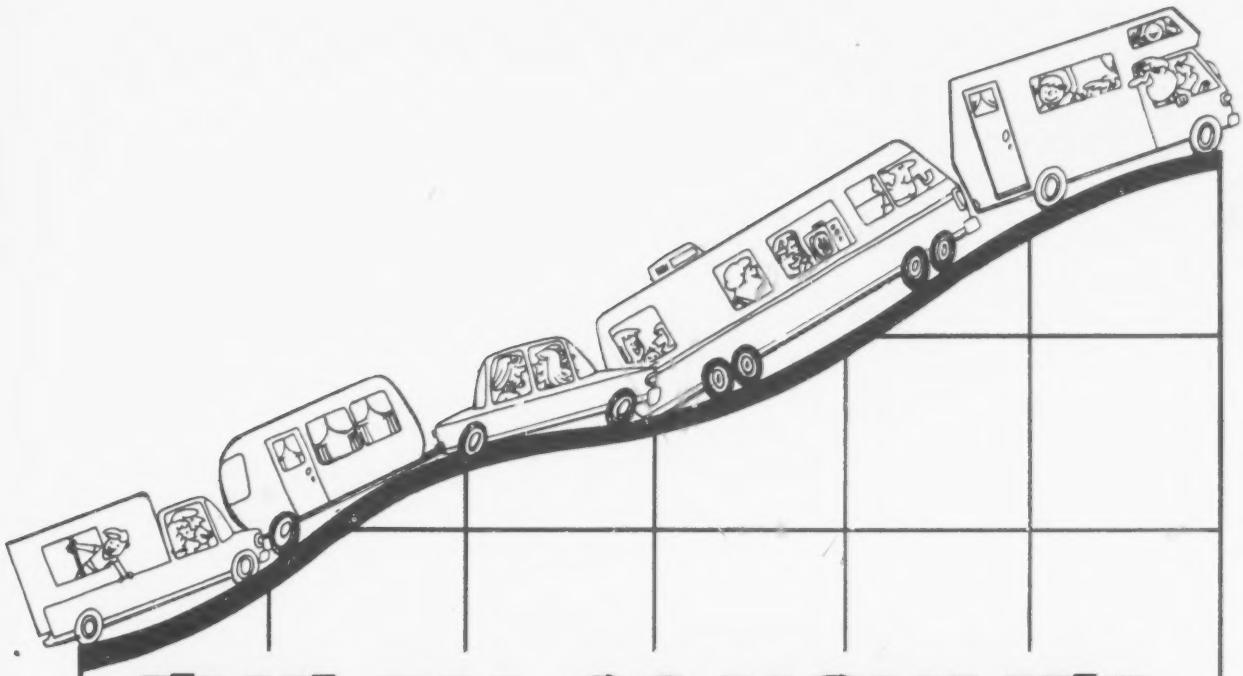
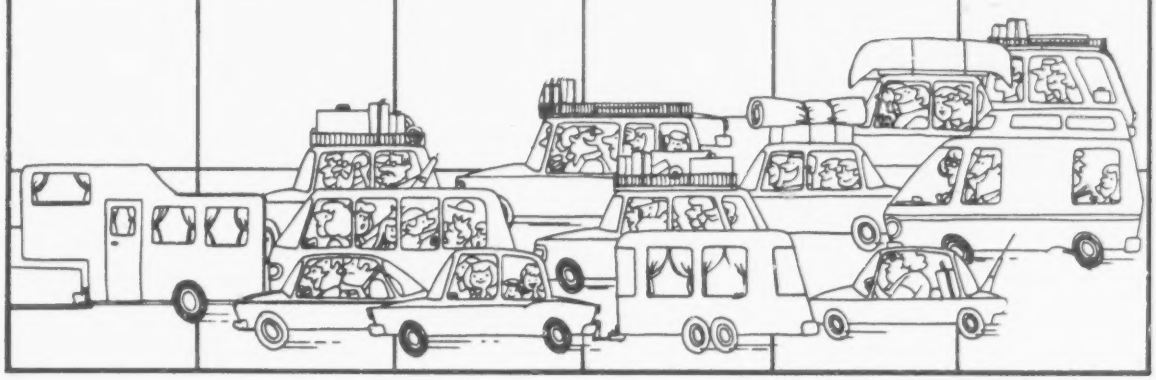


THE RV CONSUMER

Current Trends and Future Prospects

Based on a Survey, September 1984 through December 1984



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April 1985

THE RV CONSUMER:

CURRENT TRENDS AND FUTURE PROSPECTS

by

Richard T. Curtin

April 1985 WP21

The analysis is based on a sample of 2,491 vehicle owning households from the September 1984 through December 1984 nationally representative monthly Surveys of Consumer Attitudes, conducted by the Survey Research Center at The University of Michigan. John Mulcahy and Kailasam Duraiswamy provided valuable assistance. This survey was commissioned by the Recreational Vehicle Industry Association, Marketing Analysis Committee, under the direction of Al Yoder and Mac Bryan.

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OWNERSHIP TRENDS

A recreational vehicle is owned by one household out of every ten vehicle owning families in the continental US. In the aggregate, this figure represents seven million RV households as of the end of 1984. From the first measure of RV ownership taken in 1980 to the 1984 survey, the proportion of households that owned RVs rose from 8.3% to 9.8%. The increase in the ownership rate per household, along with an increase in the number of households since 1980, added approximately one million households to the RV market (Table 1).

Although the average annual increase in ownerships of RVs has been modest, this net increase was accomplished during a prolonged period of economic adversity: a four year period which began with steep gasoline price increases, included two recessions, and has been marked by persistently high interest rates.

Moreover, since the oil embargo of the early 1970s, there were questions raised about the long term vitality of the RV industry. At the most general level, these issues involved both the cost and availability of gasoline as well as whether consumers were moving toward lifestyles that did not include RVs. Many underestimated the broadly based and strongly held preference for this type of recreation. As a consequence, the modest increase in overall ownership rates has been accompanied by a widespread increase in the awareness of the important role of the RV industry in meeting the recreational preferences of consumers.

An increase in the number of owners of each general type of recreational vehicle was found in 1984 compared with four years earlier. The only exception was for ownership of slide-in truck campers, which fell only slightly from 1.8% to 1.5% (Table 1). The growth in ownership of van campers was somewhat above the growth in motor home ownership—van camper ownership rose from 1.4% to 1.9% of all households, while motor home ownership rose from 1.2% to 1.4%. Travel trailers were not only the most common type of RV owned in both 1980 and 1984, but also had the highest growth—from 3.0% to

3.7%. The decline in ownership of slide-in truck campers, even though households are now more likely to own pick-ups, reflects in part the declining size of pick-ups owned by households.

The overall growth in RV ownership during the past four years was greatest in the Western region of the country, which recorded the highest ownership rate in both surveys (Table 2). Interestingly, from 1980 to 1984 the Northeast posted nearly as large an increase as the West, even though only half as many residents of the Northeast owned an RV. A decline in the ownership rate was recorded among residents of the Southern region, the only region in which overall declines were recorded. The sharp increase in ownership among Northeasterners coupled with the small decline among Southerners resulted in higher overall ownership rates in the Northeast than in the South.

In the Western region the growth in ownership was concentrated in fifth-wheel and travel trailers, while residents of the Northeast posted nearly equal increases across the various types of RVs.

Ownership of recreational vehicles grew most among those who were between ages 35 and 54, but the growth was also positive among those over 55. It has been among those under age 35 that ownership rates have declined over the past four years. The increase in ownership among the middle aged was concentrated in motor homes and camper vans, while among those over 55 the growth was largest for travel trailers. Although above median income households more frequently own RVs, growth in RV ownership from 1980 to 1984 did not differ much by income group. Indeed, because of the preference of older consumers for travel trailers and the lower income of retirees, the growth of travel trailers was greatest among families with below median incomes.

POTENTIAL MARKET GROWTH

We can usefully divide the total potential demand into two parts: repeat buyers and new market entrants. Repeat buyers have been and will continue to be the mainstay of the market. And given that the baby boom cohort has just entered the prime ownership

age range, their repeat business represents the largest long term potential. New market entrants are of course just as important, especially since first time buyers often become repeat buyers. Moreover, recent increases in the availability of RV rentals have increased consumer interest, because renting allows personal experience with the RV lifestyle without first making a large financial commitment.

New Entrants. An active interest in the first-time purchase of an RV was determined by whether families intended to make that purchase during the year ahead. In addition to an ownership interest, families were questioned about whether they wanted to rent a recreational vehicle for their own use during the year ahead. When the number of households that currently own an RV is combined with the number that expressed interest in making a first time purchase or renting an RV, the total potential RV market accounts for 28% of all households (Table 3). The potential RV market includes nearly one-third of all those under age 55, and nearly one-fifth of those 55 or older. Similarly, the potential market accounts for approximately one-third of all families with incomes over $20,000, and one-fifth of those families with less than $20,000 in annual income. Residents of the Western region were most likely to be part of the potential RV market—37%, compared with 25 to 28% in the other regions.

First time purchases of RVs were intended by 4% of all families, with only small variation across age, income and regions. Consumers whose involvement in the RV market is limited to rentals amounted to 14% of all families. Rental intentions were much more frequent among younger and high income consumers.

Families that expressed an interest in renting an RV were asked their opinions toward two new rental arrangements: their preference for one-way versus roundtrip rentals, and preferences for fixed site rentals (Table 4). Only a small number of consumers preferred either one-way or fixed site rentals—just 12% in both cases. Only among residents of the Northeast did these new types of rental arrangements find much appeal—about one fourth of Northeasterners expressed interest. Interestingly, both new

types of rental arrangements found somewhat greater appeal among families with incomes under $20,000, apparently because those families viewed them as cost saving alternatives.

Repeat buyers. Among all current RV owners, approximately one third were repeat buyers (Table 5). The proportion of repeat buyers was highest among fifth-wheel and travel trailer owners—45% of these owners were repeat buyers. Current owners of fold-down camping and slide-in truck campers were the least likely to have previously owned an RV—only 17% were repeat buyers. In between, 30% of motor home and camper van owners were repeat buyers.

The importance of repeat buyers will be even greater in the future. Among current owners, the proportion that reported that they would buy another replacement RV in the future was 70% in the 1984 survey, up from 65% in 1980 (Table 6). In both years, a replacement RV of the same general type was most often preferred by current motor home and camper van owners. The opposite was true among fold-down camping trailer and slide-in truck camper owners: these owners were more likely to replace their current RV with some other type of RV. Only 18% of all owners of fold-down and slide-in campers intended to get another RV of the same general type. Owners of travel trailers fell between these two extremes: two-thirds intended to purchase another travel trailer, and the remaining third intended to replace their current travel trailer with a motor home or camper van. This type of pattern in replacement intentions was evidenced in both the 1980 and 1984 surveys.

A composite of both past and expected future purchase intentions helps to isolate consumers with long term attachment to the RV market from those whose current ownership may only be a passing fancy. Among all current RV owners, 26% reported both that they had owned an RV prior to their current vehicle and that they intended to purchase another replacement vehicle in the future. I have labeled this group the "established core market" (Table 7). First time buyers that also intended to make a replacement purchase in the future accounted for 44% of all current owners. This second

group I have labeled the "new core market." The proportion of current RV owners that had not previously owned an RV and did not intend to purchase another vehicle in the future was 24%. This group I have labeled "one-time buyers." Very few consumers that have already owned two or more RVs did not expect to purchase a replacement RV in the future—just 6% of all current RV owners. I have labeled this group the "core market dropouts."

The proportion of families in the established core market increased with age, from just 8% among those under age 35 to 31% among those over 55. Families in the new core market were most frequent among those under age 35. Both of these results reflect the process of sustained attachment to the RV market as consumers age. Interestingly, the incidence of one-time buyers did not depend on the age at which the first purchase was made. The one-time buyer was more common in the Southern region, and replacement intentions were highest among residents of the Western region (Table 8).

SELECTION OF RV

When asked to explain why they chose the particular type of RV they currently own, families in the 1984 survey had distinctive reasons for choosing each of the major types of RVs. Costs of ownership and operations were the most frequently given reasons for favoring fold-down camping trailers and slide-in truck campers. Motor home and camper van owners were distinguished by their preference for a vehicle suitable for multiple uses, and a smaller size was acceptable given its intended multiple uses and the need for fuel economy. Fifth-wheel and travel trailer owners were more likely to report that this type of vehicle was best suited for their primary purpose of camping. Interestingly, little difference was reported in the ease of use as a reason for RV selection.

Respondents were also questioned about the features that would be important to them on their next RV purchase (Table 9). The single most common response was more interior room. This was reported by 43% of all owners that intended a replacement purchase. Owners of motor homes and camper vans were somewhat less likely to stress

interior room, while fifth-wheel and travel trailer owners were somewhat more likely to mention the need for more room. Specific types of new features that they were looking for in their next RV were reported most frequently by motor home and camper van owners. The most frequent types of features mentioned by these owners involved improvements in the driving or towing performance of the vehicle, and improvements in the kitchen facilities.

PURCHASE TIMING

Consumers were asked to specify how long it would be before they would make their replacement purchase, and which factors would most influence the timing of the purchase. Half of the replacement purchases were expected to be made within the next 3.7 years, the overall median shown in Table 10. Members of the new core market expected to make their replacement purchases somewhat sooner. Replacement buyers over age 55 were the most likely to plan a replacement purchase during the next year or two—half were expected to be made within the next 2.3 years. Residents of the West and Northeastern regions intended to make their replacement purchases sooner than average, while residents of the North Central region planned replacement purchases later than the national average.

When asked to identify which factors would most influence the timing of these purchases, nearly half of all replacement buyers referred to developments in their own personal financial situation (Table 10). One-third of all replacement buyers mentioned that the timing of the purchase would depend more on the availability of good buys on RVs. That more families mentioned income rather than price conditions reflects the economic characteristics of these large discretionary purchases.

Among buyers in the youngest age group, their future financial situation was the most important factor in determining when to buy. Among buyers in the oldest age group, in contrast, the primary factor determining timing was the perceived availability of good buys. In a similar fashion, families in the lowest income group were more likely to cite

personal financial considerations, while the highest income group emphasized the availability of good buys.

The cost and availability of financing was mentioned as the most important timing factor by just 9% of all owners that intend replacement purchases. Concern over credit conditions was somewhat higher among the new core market, the middle aged, and lower income purchasers. Importantly, residents of the Western region were more likely than others to report concern with future credit conditions.

When asked in late 1984 how the then current level of interest rates would affect their purchases, nearly half of all families replied that they would still purchase an RV if interest rates remained at that same level (Table 11). Willingness to purchase at current rates was less frequent among the older, established core market. The new core market, younger groups, and higher income groups were less troubled by the current level of interest rates. Not only were residents of the Western region more likely to view future credit conditions as important for timing their purchase, they were also more likely to report that the current level of interest rates would prevent purchases.

What interest rate did consumers think was being charged on RV loans in late 1984? — 14.9% (see Table 12). Families that have used credit on prior RV purchases or who are willing to use credit in the future report a somewhat lower rate (14.5%). The highest interest rate consumers were willing to pay on RV loans in late 1984 was 12.7%. Importantly, among willing credit buyers it was 13.7%—one percentage point higher. In contrast, families not currently willing to use credit were only willing to pay 11.1%.

SUMMARY

Just five years ago, many pundits pronounced the demise of the RV market. Consumer demand for RVs is a function of prices, income, and consumer preferences. These observers claimed that not only would rising energy prices and curtailed incomes decrease sales, but also that consumer preferences would turn away from the RV lifestyle. No evidence of this can be found. While it is true that rising energy prices and the

associated down-sizing of vehicles continue to present challenges to the industry, consumers have shown their willingness to adapt to these new constraints. Indeed, the proportion of American families that currently own an RV has grown in recent years, rising to nearly one-in-ten families in 1984. Moreover, the potential for future growth is substantial, with more than one-fourth of all American families having some interest in the use of an RV.

Although the overall outlook for the RV industry during the decade ahead is bright, the pace of sales will continue to be dominated by cyclical events in the aggregate economy. Unlike prior recession cycles, which were characterized by rising inflation over an extended time period, followed by rising interest rates and rising unemployment, the next recession is likely to be paced by rising interest rates followed by rising unemployment, but with relatively low inflation rates. How will consumers react to these new economic developments?

The mass market for RVs is dominated by three major groups of consumers, each group being distinctive in their demographic composition, in the economic factors which primarily influence their purchase decisions, and in the length of prior ownership. These three groups can be labeled: a) the established core market, b) the new core market, and c) first time buyers.

Established core market. The established core market consists of consumers that have owned at least two RVs in the past. These consumers are generally older, and, if they are still working, generally have higher than average incomes. Since many of these consumers are retired or near retirement, the economic factors which primarily influence their decisions are distinctive. Their RV purchases are primarily financed out of accumulated savings, not out of future earnings via credit. For these consumers, upward trends in inflation represent the primary threat to the adequacy of their accumulated savings, and hence their future living standards. Prospects of rising unemployment or increases in interest rates do not threaten their financial situation as directly as inflation.

Indeed, rising interest rates may bolster their financial situation because of rising interest income on accumulated retirement savings. Even if the upcoming decade is marked by relatively slow economic growth, with persistent bouts of high unemployment and high interest rates, prospects for sales among consumers in the established core market will remain favorable if inflation remains relatively low and stable. These consumers will provide the largest share of demand during cyclical downturns. Rather than the timing of their purchase decisions being primarily determined by trends in employment, wages, and interest rates, these consumers place greater emphasis on product prices and product features. Because of this, they form the most competitive market segment.

New core market. The new core market represents the group of consumers that currently own RVs and expect to buy replacement vehicles in the future. These consumers are generally middle aged with above median household incomes. Their purchases are usually paid for with credit as well as out of accumulated savings, with the proportion of the total price being financed falling with age. Since their purchases usually involve the use of credit, future employment and income prospects as well as interest rates directly influence their decisions. But because of their ability to at least partially pay for the RV out of savings, demand among consumers in this group rises quickly following a recession, and it is this group of consumers that dominates the early stages of the overall rebound in market sales. Given favorable financial and credit conditions, members of the new core market are likely to stress size as the primary criteria for the selection of their next RV. The specific features and type of RV were important criteria, but there was much more satisfaction with the current type and features. As a consequence, few of these consumers place primary emphasis on these selection factors.

First time buyer. These consumers are generally younger and have household incomes near the overall median. Compared with the previous two groups, the timing of their purchase decisions is much more dependent on credit conditions, and on household income and employment prospects. Accumulated savings only play a small role in their

purchase decisions. Younger families more often suffer financial reversals during recessions, and sales to them respond only slowly to improved economic conditions, following the rebuilding of family finances. As a consequence, this group of consumers exerts the most influence on overall market trends during the late stages of economic expansion. Rather than size or features, it is price that is most important to first time buyers.

First time purchasers are often "payment" buyers. It is the size of the monthly loan payment on which they judge whether the expenditure is affordable, or within their budget. The loan repayment amount is a function of the amount financed, the length of time financed, and the annual interest rate charged. An important recent development in the automobile market has implications for the RV market. There has been a the sharp increase in the average maturity of auto loans (to over 50 months at the close of 1984), as a means to partially offset the impact on monthly payments of higher interest rates and higher vehicle prices. For the first time buyer, longer loan maturities would greatly facilitate RV sales.

It is often said that the best prospect for a future sale is a past customer. This is often true because it is current ownership that demonstrates continued active interest in the RV lifestyle. What's more, certain other purchases not usually classified as recreational vehicles also indicate an active interest. Of special importance are expenditures among the younger age groups on vans and so-called "van conversions," which are intended to serve recreational purposes at least in part. Buyers of these products have demonstrated an interest in recreational vehicles, even if their expenditures are highly restricted by their lower but rising incomes. These consumers represent prime prospects for the RV market. In addition, new rental arrangements provide an excellent opportunity to introduce consumers to the RV lifestyle. And it is their active rental interest that also makes these consumers excellent prospects for future ownership.

Because first time buyers place primary emphasis on price and credit affordability, it is important to have adequate entry level RV products available. Even if the entry level products are missing some of the standard features, the purchase of these products will build consumer identification with the RV industry, and pave the way for larger and more expensive purchases.

APPENDIX A

SURVEY METHODOLOGY

The Survey research Center conducts an ongoing monthly nationally representative survey based on telephone interviews with adult men and women living in households in the coterminous United States (48 states and the District of Columbia). For each monthly sample, an independent drawing of telephone numbers is made. The respondents chosen in this drawing are reinterviewed in six months. A rotating panel design results, and the total sample for any one survey is normally made up of 55% new respondents, and 45% of the respondents being interviewed for the second time. This design permits the regular measurement of change in the aggregate and also allows the assessment of individual change at six-month intervals.

The national telephone sample designs of the Survey Research Center employ computer routines to randomly generate telephone numbers. A list of all working area codes and central office codes is updated monthly and made available by AT&T. The selection technique involves the random generation of the last four digits in order to identify the sample numbers. The generation of the sample numbers is performed after stratification by geography and size of exchange has been introduced. The size of exchange is measured by the number of area codes-central office codes within the exchange as a proxy for the level of population density. Stratification by these criteria assures sample representation of different regions, states, and metropolitan size categories. The sample is drawn so that every number in the coterminous United States has an equal chance of being selected.

All surveys are subject to sampling error because not all members of the population are interviewed. Telephone interviewing fails to include the approximately 9-10% of the households in the United States that are not telephone subscribers, although the percentage of nonsubscribers is shrinking over time. Current studies of the bias which

results from the exclusion of nontelephone subscribers indicate that it is not severe and is within the accuracy requirements for this research project.

TABLE 1

RECREATIONAL VEHICLES OWNED BY U.S. HOUSEHOLDS

	All Recreation Vehicles	Type of Recreational Vehicle				
		Motor-homes	Van Campers	Fifth-Wheel & Travel Trailers	Fold-Down Camping Trailers	Slide-in Campers
1980						
Percent that own[a]	8.3%	1.2%	1.4%	3.0%	1.2%	1.8%
Number of households who own (in millions)[b]	5.810	0.840	0.980	2.100	0.840	1.260
Share of RVs by Type	100%	14	17	35	14	20
Average length (feet)	19.1	23.6	16.5	20.4	11.6	NA
Average #sleep spaces	4.3	5.0	2.5	4.7	5.1	3.8
1984						
Percent that own[a]	9.8%	1.4%	1.9%	3.7%	1.7%	1.5%
Number of households who own (in millions)[c]	7.072	1.010	1.371	2.670	1.227	1.082
Share of RVs by Type	100%	14	18	36	17	15
Average length (feet)	20.0	24.1	14.5	22.8	13.6	NA
Average #sleep spaces	4.4	5.6	2.3	4.7	5.6	4.4

[a]Among all vehicle-owning households.

[b]Because of multiple ownership of RV's by households, these 5.810 million households account for 6.020 million vehicles.

[c]Because of multiple ownership of RV's by households, these 7.072 million households account for 7.360 million vehicles.

TABLE 2

PROPORTION OF U.S. HOUSEHOLDS THAT
OWN RECREATIONAL VEHICLES, BY TYPE AND YEAR

	All RVs			Type of Recreational Vehicle: Motor Homes & Vans			Travel & 5th Wheel Trailers			Fold-down & Truck Campers		
	1980	1984	Change	1980	1984	Change	1980	1984	Change	1980	1984	Change
All Families[a]	8.3%	9.8%	+1.5	2.6%	3.3%	+0.7	3.0%	3.7%	+0.7	3.0%	3.2%	+0.2
Region												
West	13.1	16.9	+3.8	4.4	5.3	+0.9	4.9	8.3	+3.4	4.5	4.1	-0.4
North Central	8.2	9.8	+1.6	2.7	3.2	+0.5	2.8	3.2	+0.4	2.9	3.7	+0.8
Northeast	4.7	8.4	+3.7	0.6	2.0	+1.4	1.6	3.0	+1.4	2.2	3.6	+1.4
South	7.4	6.6	-0.8	2.3	3.0	+0.7	2.7	1.8	-0.9	2.5	2.0	-0.5
Income												
Under median	7.1	7.9	+0.8	1.9	1.8	-0.1	2.8	4.0	+1.2	2.5	2.2	-0.3
Over median	11.2	12.4	+1.2	4.2	5.0	+0.8	3.6	3.5	-0.1	3.9	4.4	+0.5
Age												
18-34	6.3	5.7	-0.6	2.7	2.1	-0.6	1.3	1.1	-0.2	2.6	2.4	-0.2
35-54	11.1	14.0	+2.9	2.8	4.8	+2.0	3.8	5.0	+1.2	5.1	4.9	-0.2
55 or older	7.9	9.9	+2.0	2.4	3.0	+0.6	4.1	5.3	+1.2	1.7	2.1	+0.4

[a]Among all vehicle-owning households.

The question asked was: "Do you (or anyone in your family living there) have any kind of recreation vehicles--van, motorhome, travel trailer, fifth wheel trailer, or a folding camping trailer?"

TABLE 3

POTENTIAL RV MARKET

	Current Owners	Non-Owners that Expressed Interest in: Ownership	Rental Only	Total Potential Market	Total Non Market	Total
All families	10%	4%	14%	28%	72%	100%
Age						
18-34 years	6	5	21	32	68	100%
35-54	14	4	14	32	68	100%
55 and older	10	3	6	19	81	100%
Income						
Under $20,000	7	4	9	20	80	100%
$20,000-29,999	11	4	16	31	69	100%
$30,000 and over	13	3	19	35	65	100%
Region						
West	17	4	16	37	63	100%
North Central	10	4	14	28	72	100%
Northeast	8	5	12	25	75	100%
South	7	4	14	25	75	100%

The questions asked were: "During the next 12 months, what do you think are the chances that you (or anyone in your family living there) will buy one of these recreational vehicles (such as a van, motorhome, camper, or trailer). Would you say you probably will, probably will not, or are the chances about even?"

"Would you consider renting a recreational vehicle such as a van, motorhome, trailer, or camper for any purpose in the next year or so?"

TABLE 4

RENTERS OPINIONS TOWARD NEW RV RENTAL ARRANGEMENTS

	Proportion of RV Renters that Would Prefer....	
	One-Way Rental	Fixed Site Rental
All families	12%	12%
Age		
18-34	12	11
35-54	12	14
55 or older	17	11
Income		
Under $20,000	20	16
$20,000-29,999	8	8
$30,000 or more	12	10
Region		
West	7	10
North Central	8	8
Northeast	26	24
South	12	8

The questions asked were: "Would (you/your family) be more interested in renting a recreational vehicle that you could pick up and return to a location nearby your home, or renting a recreational vehicle that you could pick up at one location and return to another location?"

"Would (you/your family) be more interested in renting a recreational vehicle that you could drive or tow from one place to another, or in renting a recreational vehicle that was already set up on a fixed site?"

TABLE 5

FIRST TIME AND REPEAT PURCHASES AMONG CURRENT RV OWNERS

Did Purchase of Current RV Replace Another RV Owned in the Past?	Current Type of RV Owned: Motorhomes & Camper Vans	Travel & 5th Wheel Trailers	Fold-down & Truck Camper	All RV Owners
Yes	30%	45%	17%	32%
Current RV replaced				
Motorhome/camper van	14	3	3	7
Travel/5th Wheel	11	29	*	15
Fold-down/truck camper	5	13	14	10
No, first time purchase	70	55	83	68
Total	100%	100%	100%	100%

The questions asked were: "When this vehicle was purchased, did it replace another recreational vehicle that you (and your family living there) owned?"

"Did your (family's) current vehicle replace a van, motorhome, travel trailer, fifth wheel trailer, folding camping trailer, or slide in camper?"

TABLE 6

REPLACEMENT DEMAND AMONG CURRENT RV OWNERS

Replace Current RV With Another RV in the Future?	Current Type of RV Owned: Motorhomes & Camper Vans	Travel & 5th Wheel Trailers	Fold-down & Truck Camper	All RV Owners
Yes	78%	68%	62%	70%
New RV Will be:				
Motorhome/camper van	73	24	21	41
Travel/5th wheel	1	42	23	22
Fold-down/truck camper	4	2	18	7
No	22	32	38	30
Will Instead:				
Purchase car/truck	8	*	12	6
Other type spending	12	16	19	16
No replacement purchase	2	16	7	8
Total	100%	100%	100%	100%

The questions asked were: "If (you/your family) were to replace this vehicle now, would you get another recreational vehicle?"

"What type would you get--would it be a van, motorhome, travel trailer, fifth wheel trailer, folding camping trailer, or slide-in camper?"

TABLE 7

DIVISION OF CURRENT RV OWNERS
BY PAST AND FUTURE REPLACEMENT DEMAND

Future Purchase Intentions	Current RV Owner is a	
	Repeat Buyer	First-Time Buyer
Will buy again	Established core 26%	New core 44%
Will not buy	Core market dropouts 6%	One-time buyer 24%

TABLE 8

DEMOGRAPHIC PROFILES OF RV OWNERS, BY MARKET CLASSIFICATIONS

	Market Types				
	Established Core Market	New Core Market	Core Market Dropouts	One Time Buyers	Total
All RV Owners	26%	44%	6%	24%	100%
Age					
18-34	8	68	1	23	100%
35-54	28	41	4	27	100%
55 or older	31	35	9	25	100%
Income					
Under $20,000	31	38	11	20	100%
$20,000-29,999	17	50	6	27	100%
$30,000 and over	30	41	2	27	100%
Region					
West	29	50	*	21	100%
North Central	20	44	9	27	100%
Northeast	27	44	8	21	100%
South	25	33	8	34	100%

TABLE 9

FACTORS THAT INFLUENCE THE SELECTION OF THE NEXT RV

	Factor Which will Most Influence the Selection of the Next RV					
	Interior Room	Specific Features	Operating Costs	Tow requirements	Other Factors	Total
All RV Owners that Intend Replacement Purchases	45%	28%	18%	4%	5%	100%
Market Type						
Established core	37	32	17	7	7	100%
New core	49	26	19	2	4	100%
Age						
18-34 years	58	21	11	5	5	100%
35-54	39	34	20	2	5	100%
55 and older	46	23	18	7	6	100%
Income						
Under $20,000	45	24	18	2	11	100%
$20,000-29,999	52	26	8	11	3	100%
$30,000 and over	41	31	25	*	3	100%
Region						
West	46	25	16	3	10	100%
North Central	49	31	18	2	*	100%
Northeast	36	33	24	7	*	100%
South	45	27	16	4	8	100%

The question asked was: "When (your/your family) select(s) the replacement for your current vehicle, which of the following do you think will be the most important factor in the selection of your (family's) next recreational vehicle: the amount of interior room, the type of features and equipment, gas mileage, towing requirements, or what?"

TABLE 10

FACTORS THAT INFLUENCE THE TIMING OF REPLACEMENT PURCHASE

	Median # of years before replace	Factor that Will Most Influence Timing of Next RV Purchase					
		Personal Finances	Good Buys on RVs	Cost of Finance	When Need/ Want	Other Factors	Total
All RV Owners that Intend Replacement Purchase	3.7	47%	33%	9%	4%	7%	100
Market Type							
Established core	4.3	41	39	8	*	12	100
New core	3.4	47	30	11	6	6	100
Age							
18-34 years	4.5	63	21	7	*	9	100
35-54	4.6	50	29	11	5	5	100
55 or older	2.3	25	48	9	3	15	100
Income							
Under $20,000	4.6	51	25	14	*	10	100
$20,000-29,999	3.1	50	34	14	*	2	100
$30,000 and over	3.6	36	41	4	10	9	100
Region							
West	3.0	40	31	13	6	10	100
North Central	5.0	43	41	4	1	11	100
Northeast	3.0	48	29	9	5	9	100
South	4.0	55	33	8	2	2	100

The question asked was: "When (you/your family) decide(s) to replace this vehicle, will the timing of the purchase depend more on your (family's) financial situation at that time, the availability of good buys on recreational vehicles, the cost and availability of financing, or what?"

TABLE 11

IMPACT OF CREDIT CONDITIONS
ON RV PURCHASE INTENTIONS

	Consider Buying Replacement RV on Credit Given Current Interest Rates		
	Yes	No	Total
All RV Owners that Intend Replacement Purchase	47%	53%	100%
Market Type			
Established core	37	63	100%
New core	54	46	100%
Age			
18-34 years	73	27	100%
35-54	53	47	100%
55 and older	22	78	100%
Income			
Under $20,000	44	56	100%
$20,000-29,999	45	55	100%
$30,000 and over	58	42	100%
Region			
West	37	63	100%
North Central	55	45	100%
Northeast	67	33	100%
South	44	56	100%

The question asked was: "When you replace this vehicle, would you (and your family living there) consider buying another recreational vehicle on credit given the current level of interest rates?"

TABLE 12

PERCEPTIONS OF INTEREST RATES AND WILLINGNESS
TO USE CREDIT FOR RV PURCHASES

	All Families Who Will Replace Current RV	Families Who Used Credit to Buy Current RV	Families Who Would Consider Using Credit for Next RV	Families Who Would Not Consider Using Credit
Perceptions of Current Interest Rate Charged on RV Loans	14.9%	14.5%	14.5%	15.1%
Highest Interest Rate Willing to Pay on RV Loan	12.7	13.3	13.7	11.1
Difference (current-highest)	2.2	1.2	0.8	4.0

The question asked was: "What annual rate of interest do you think is now being charged on recreational vehicle loans?"

TABLE 13

INTEREST RATES CHARGED
ON CURRENT OUTSTANDING RV LOANS

	Share of all Loans	Average Interest Rate
All Current Loans	100%	13.8%
Variable Rate Loans	17	14.1
Fixed Rate Loans	83	13.7

The questions asked were: "What is the current interest rate on the loan?"

"Does this loan have a variable interest rate--that is, one that can rise or fall over the course of the loan?"